

### Investigations and Visitations

#### Investigations

##### Consumer Complaints

Consumer complaint investigations are generally handled by Consumer Response Center staff. Examiners will be requested to assist if an on-site review is determined to be necessary. As with all sensitive matters, close cooperation between staff in the field office, region and Washington is essential to a prompt and appropriate resolution of a complaint.

Revised FDIC procedures for investigating complaints of illegal discrimination were circulated in February 2003, and replace those previously found in both the Compliance Examination Manual and the Complaint and Inquiry Manual. The revised procedures must be used by all DSC staff involved in a discrimination investigation.

Although directed at discrimination complaints, the general approach of the revised investigation procedures may be applied to other types of complaints.

##### Enforcement Actions

To obtain information or evidence necessary to support an enforcement action, a formal investigation may be conducted pursuant to Section 10(c) of the FDI Act. Through such an investigation administrative subpoenas may be issued for information or testimony. Orders of Investigation must be developed in cooperation with the Legal Division, which shares delegated authority for this process.

#### Visitations

##### Introduction

Visitations are usually targeted events aimed at specific operational or regulatory areas, but can also focus on compliance management systems that require more than the normal level of supervisory attention. Visitations are conducted by the FDIC to review the compliance posture of an institution that is newly chartered, involved in a recent or proposed merger, or recently converted to state nonmember status; to review an institution's progress on corrective actions since its last examination; to ascertain an institution's compliance with an enforcement action; and to investigate problems brought to the FDIC's attention.

##### Conducting a Visitation

Visitations can be scheduled at any time at the discretion of Regional Office management. Prior approval of Washington Office management is required when substituting a visitation for an examination of an institution with adverse compliance or CRA ratings.

Visitations may be expanded to a regular compliance/CRA examination with the Examiner-in-Charge's recommendation

and Regional Office management's concurrence. This recommendation should be considered in situations where:

- Significant deficiencies are noted in a financial institution's compliance management system or CRA policies or procedures;
- Significant noncompliance is noted particularly regarding previously criticized areas; or
- Significant noncompliance with an informal or formal enforcement action is noted.

Regional compliance management may change an institution's compliance rating if interim events, visitations, investigations or similar situations result in finding that the assigned rating is no longer suitable and that a different level of supervisory concern is warranted. Ratings may be moved up or down. Decisions to change a rating must be based on a review that considers whether the institution's compliance with consumer protection and civil rights statutes and regulations display weaknesses requiring special supervisory attention and which are cause for more than a normal degree of supervisory concern. Changes in compliance ratings will be rare. Any change must be carefully documented and consultation with the Washington Office is required. The bank should be notified of the change and the basis for it.

##### General Procedures

1. Perform appropriate off-site review and analysis procedures prior to the commencement of the on-site visitation. Tailor the visitation to address the compliance deficiencies or concerns identified, or the matters under review. A Risk Profile and Scoping Memorandum is not required.
2. Notify the institution of the date of the visitation.
3. Conduct the on-site visitation. An initial meeting with management should define the scope of the visitation.
4. If applicable, prepare a list of violations. Examiners will use the violations pages from the Report of Examination and include these pages with the visitation report submitted to the Regional Office.
5. Consult as appropriate or required with the Field, Regional or Washington office.
6. Conduct a closing meeting with management and, if the situation warrants, a meeting with the Board. Leave a copy of the violations list with management.

##### Preparing the Visitation Report

1. Prepare Page 1 (Report of Visitation — Compliance) (required).
  - The financial institution must receive, either in the visitation report, report of examination, or both, a discussion of compliance with the provisions of an outstanding enforcement action.